

PAUL J. PASCUZZI, State Bar No. 148810
JENNIFER E. NIEMANN, State Bar No. 142151
FELDERSTEIN FITZGERALD
WILLOUGHBY & PASCUZZI LLP
400 Capitol Mall, Suite 1750
Sacramento, CA 95814
Telephone: (916) 329-7400
Facsimile: (916) 329-7435
ppascuzzi@ffwplaw.com
jniemann@ffwplaw.com

Attorneys for Grail Semiconductor

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:

GRAIL SEMICONDUCTOR, a
California corporation,

Debtor-in-Possession

CASE NO. 15-29890

DCN: FWP-6

Date: February 10, 2016
Time: 10:00 a.m.
Courtroom: 34
501 I Street, 6th Floor
Sacramento, CA

**DECLARATION OF MICHAEL F. BURKART IN SUPPORT OF DEBTOR'S MOTION
TO REJECT EMPLOYMENT AGREEMENT WITH BRAD A. WOODS**

I, Michael F. Burkart, state and declare as follows:

1. I am the Chief Resolution Officer ("CRO") of Grail Semiconductor, a California corporation, the Debtor and Debtor in Possession herein (the "Debtor" or "Grail"). In such capacity, I am personally familiar with each of the facts stated herein, to which I could competently testify if called upon to do so in a court of law. I make this Declaration in support of the Debtor's Motion to Reject Employment Agreement with Brad A. Woods ("Motion"). All capitalized terms not otherwise defined shall have the same meaning as in the Motion.

2. On December 15, 2015, I was appointed as the Debtor's CRO to lead Grail's efforts to pursue claims held by Grail as well as resolve all claims against the company. I am the Debtor's sole officer.

///

1 3. Facing the threat that an involuntary petition would be filed and of numerous
2 demands from creditors and shareholders for payment, on December 30, 2015, the Debtor filed a
3 voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtor remains
4 in possession of its estate, no trustee having been appointed. The Debtor remains as a debtor-in-
5 possession pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code.

6 4. The Debtor has reviewed the Employment Agreement and has determined that in
7 light of the revocation of Mr. Woods' corporate authority to act on behalf of Grail and the
8 retention of Mr. Burkart as the sole officer of the Debtor, the Employment Agreement is no
9 longer necessary for or beneficial to the Debtor and will create unnecessary and burdensome
10 expenses for the Debtor's estate.

11 5. The Debtor seeks an order from this Court authorizing it to reject the Employment
12 Agreement effective as of the date this Motion was filed, as the Employment Agreement no
13 longer provides any meaningful value or benefit to the Debtor's estate.

14 I declare under penalty of perjury that the foregoing is true and correct. Executed on
15 January 25, 2016 at Sacramento, California.

16 /s/ Michael F. Burkart
17 MICHAEL F. BURKART
18
19
20
21
22
23
24
25
26
27
28